

[Date]

Alabama State Treasurer, SAFE Program  
Attention: Pam Stevenson  
100 North Union Street RSA Union Bldg, Suite 660  
Montgomery, Alabama 36130

Re: Irrevocable Letter of Credit Number: \_\_\_\_\_

Dear Treasurer:

1. At the request of and for the account of \_\_\_\_\_ (“**Member**”), we hereby issue this Irrevocable Letter of Credit No. \_\_\_\_\_ (“**Letter of Credit**”) in favor of Alabama State Treasurer, SAFE Program (“**Beneficiary**”).
2. The amount of this Letter of Credit is \_\_\_\_\_ U.S. Dollars (\$\_\_\_\_\_) (the “**Credit Amount**”). You shall be entitled to draw under this Letter of Credit from time to time amounts not exceeding, in the aggregate, the Credit Amount.
3. This Letter of Credit expires at 5:00 p.m. [insert time zone where issuer has its principal office] Time on [*insert initial expiration date*] (“**Expiration Date**”). The Expiration Date shall be automatically extended, without amendments, for successive one-year periods from the Expiration Date, unless at least **sixty (60) calendar days** prior to the then applicable Expiration Date, the Beneficiary receives notification in writing from us (which notification shall be sent by registered mail or overnight delivery), that we, in our sole discretion, do not elect to extend the Expiration Date for any such additional period. The Expiration Date is not subject to automatic extension beyond [*insert final expiration date*], except in accordance with the terms of an amendment issued by us to which the Beneficiary consents. If the Expiration Date is not a date on which we are open for business, then the Expiration Date shall be the next day on which we are open for business.
4. We undertake to the Beneficiary to honor, at sight, a presentation made by you to the Federal Home Loan Bank of \_\_\_\_\_ at [insert address], Attn.: \_\_\_\_\_, of the following documents:
  - (a) Original Letter of Credit (including any amendments); and
  - (b) A demand using the form of Exhibit A attached hereto.

Such documents must be delivered to us by no later than 5:00 p.m., [insert time zone where FHLB located] Time, on the Expiration Date of this Letter of Credit.

5. Multiple and partial drawings are permitted provided that drawings honored by us hereunder shall not, in the aggregate, exceed the Credit Amount as in effect from time to time. The Credit Amount shall be reduced by any partial draws under this Letter of Credit.
6. The Beneficiary may designate, by any writing accompanying a demand for payment or otherwise delivered to us prior to the actual payment of a drawing under this Letter of Credit, that any drawing shall be honored by wire transfer to a custodian designated by the Beneficiary, and we agree to abide by any such instructions. In the absence of any such written instructions from the Beneficiary to pay the Beneficiary's designated custodian, each drawing will be honored by us by payment to the Beneficiary. If a drawing is presented at or prior to 11:00 a.m., [insert time zone where FHLB is located] Time, on a day on which we are open for business, payment of the amount drawn shall be made by 4:00 p.m., [insert time zone where FHLB is located] Time, on the same day. If a drawing is presented after 11:00 a.m., [insert time zone where FHLB is located] Time, on a day on which we are open for business, payment of the amount drawn shall be made by 11:00 a.m., [insert time zone where FHLB is located] Time, on the next day on which we are open for business. All payments by us will be in immediately available funds.
7. This Letter of Credit is issued subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 ("ISP98"). This Letter of Credit shall also be governed by the laws of the State of Alabama to the extent not inconsistent with ISP98.
8. This Letter of Credit sets forth our undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement referred to in this Letter of Credit or in any certificate presented by you under this Letter of Credit.
9. This Letter of Credit may be amended from time to time pursuant to the written application for such amendment submitted by the Member to us, but no such amendment shall be effective unless executed by us in writing and expressly approved in writing by the Beneficiary.
10. This Letter of Credit is not transferable, either in whole or in part, except with our express written consent.

Sincerely,

Federal Home Loan Bank of \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

EXHIBIT A

The undersigned beneficiary demands payment of U. S. \$ \_\_\_\_\_ under Letter of Credit  
No. \_\_\_\_\_, dated, \_\_\_\_\_.

Alabama State Treasurer, SAFE Program

By: \_\_\_\_\_

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_